

LOUISIANA PUBLIC SERVICE COMMISSION
MINUTES FROM NOVEMBER 15, 2012
OPEN SESSION

MINUTES OF NOVEMBER 15, 2012 OPEN SESSION OF THE LOUISIANA PUBLIC SERVICE COMMISSION HELD IN BATON ROUGE, LOUISIANA. PRESENT WERE CHAIRMAN FOSTER CAMPBELL, VICE CHAIR JIMMY FIELD AND COMMISSIONERS LAMBERT BOISSIERE, ERIC SKRMETTA AND CLYDE HOLLOWAY. ALSO PRESENT WAS EVE KAHAO GONZALEZ.

Open Session of November 15, 2012, convening at 9:25 A.M. and adjourning at 1:24 P.M., Natchez Room, 602 N. 5th Street, 1st Floor, Baton Rouge, Louisiana, with the above-named members of the Commission and Secretary Eve Kahao Gonzalez.

Ex. 1

Announcements

Interim Executive Counsel Brandon Frey announced that the next B&E will be Wednesday, December 12, 2012. He also announced that the Public Utility Section of the Louisiana State Bar Association will hold its annual CLE seminar on Thursday, December 13, 2012. For more information, please contact Kyle Marionneaux or Jamie Watts.

Commissioner Skrmetta announced Mr. Phillip May will be replacing Mr. Bill Mohl as Entergy Louisiana and Entergy Gulf States Louisiana President and CEO.

Commissioner Skrmetta announced he emailed the public service commissions of Rhode Island, Connecticut, New Jersey, New York, Maryland and Massachusetts to offer any knowledge or assistance in dealing with storm recovery from the LPSC.

Commissioner Skrmetta also acknowledged the founders and participants of Train of Hope, which coordinated and sent needed items to victims of Hurricane Sandy in New Jersey.

Commissioner Skrmetta directed Staff to add to the current LPSC inquiry, through our energy efficiency docket (R-31106), a review of the State of Missouri "Energy Efficient Investment Act" (Missouri Senate Bill 376)(signed into law August 1, 2012) and to consider adoption of its principles and concepts in the LPSC Energy Efficiency Docket final review. Staff shall determine if outside consultants are necessary and if the LPSC should issue any RFP or any other further research component. Staff Should report back to the commission at its earliest opportunity.

Commissioner Skrmetta directed Staff to open a docket to study the security of utility generation, transmission and distribution assets as well as the cyber security of the utility computer systems. The study should include, but not be limited to, the questions read into the record and Staff shall report back within a reasonable time frame.

Commissioner Skrmetta directed Staff to, through the existing siting docket, identify, as soon as possible, a transmission construction project necessary for improvement of the state's transmission system and to work with the appropriate electric utilities to identify, budget and present a Phase I plan for the construction of said transmission project.

Commissioner Skrmetta directed Staff to open a docket to establish state standards for tree trimming as relating to electrical transmission and distribution power lines. The Staff shall work with the appropriate electric utilities to identify current national standards and to develop state standards that, at a minimum, include national standards. Staff should report back if it is necessary to issue any RFPs in this docket and report back to the commission as time permits.

Commissioner Skrmetta directed Staff to open a docket to study and develop rules regarding the preventative maintenance programs and practices of electric utilities regarding the electricity infrastructure including generation, transmission and distribution systems (including poles). And further, to develop standardized rules for preventative maintenance rules to be reviewed for possible adoption by the LPSC. Staff should report back to the commission at its earliest opportunity and also shall determine whether outside consultants are necessary.

Commissioner Skrmetta directed Staff to research fees and deposits that are being required by prison payphone providers/correctional facilities to establish prepaid telephone accounts for inmate calls and provide recommendations back to the LPSC, with the focus being on the basis for these fees, processing of said fees and deposits and how refunds of these fees are provided.

	<p>Commissioner Field directed Staff to have Henderson Ridge submit a budget to be voted on at the December B&E to assist Staff in the LUS 2011-2012 audit of fiber optic operations.</p>
Ex. 2	<p>R-31891 - Louisiana Public Service Commission, ex parte. In re: Review and Update of the Regulations and Guidelines of the Louisiana Public Service Commission Applicable to Customer Owned Coin Operated Telephone Service Providers and Alternate Operator Service Providers.</p> <p>Commissioner Holloway offered a motion to pass this item to next month's agenda. Commissioner Skrmetta seconded; Commissioner Campbell objected and following discussion, Commissioner Holloway's motion was left on the floor to give the witnesses present an opportunity to provide testimony. Following testimony, Commissioner Campbell offered a substitute motion to accept Staff Recommendation as read into the record and Commissioner Field seconded. However, Commissioners Skrmetta and Holloway objected and Commissioner Boissiere abstained. Therefore the motion dies for lack of a majority.</p> <p>Commissioner Holloway's original motion was called back up. On motion of Commissioner Holloway, seconded by Commissioner Skrmetta, with Commissioner Boissiere concurring and Commissioners Campbell and Field objecting, the Commission voted to pass this item for one month.</p>
Ex. 3	<p>Discussion with Richard Hoffpauir of USDA regarding non-profit water systems financed by USDA, repayment of loan debt and the impact of systems mergers on outstanding USDA loans.</p> <p>PASSED</p>
Ex. 4	<p>T-32335 - Louisiana Public Service Commission vs. Texarkana Movers, Inc. dba Murray North American (Shreveport, Louisiana). In re: Cancellation of Common Carrier Certificate Number 7422 for failure to maintain the required insurance coverage on file with the Commission pursuant to La. R.S. 45:164 E (1) and/or Commission's General Order dated January 12, 1976.</p> <p>In re: Discussion and possible vote on ALJ Recommendation.</p> <p>On motion of Commissioner Campbell, seconded by Commissioner Holloway, and unanimously adopted, the Commission voted to accept the ALJ Recommendation and 1) Find Texarkana Movers, Inc. d/b/a Murray North American guilty of violating La. R.S. 45:164(E)(1) and the Commission's General Order dated January 12, 1976 by failing to maintain proof of required insurance coverage on file with the Louisiana Public Service Commission; and 2) Cancel Common Carrier Certificate Number 7422, issued to Texarkana Movers, Inc. d/b/a Murray North American.</p>
Ex. 5	<p>T-32512 - Louisiana Public Service Commission vs. K & A Cattle Company, Inc. (Maurice, Louisiana). In re: Alleged violation of Louisiana Revised Statutes Title 45:161 through 180.1 as amended, by operating Intrastate without LPSC authority on three counts; allegedly occurring on or about July 13, 2012 through July 14, 2012.</p> <p>In re: Discussion and possible vote on Stipulated Agreement pursuant to Rule 57.</p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Campbell, and unanimously adopted, the Commission voted to assert its original and primary jurisdiction and take this matter up pursuant to Rule 57.</p> <p>On motion of Commissioner Field, seconded by Commissioner Campbell, and unanimously adopted, the Commission voted to accept the Staff Recommendation and adopt the agreement between Staff and K&A Cattle, dated October 15, 2012 wherein the Carrier agreed to plead guilty and agreed to pay a fine of \$2,000.00, per count, with \$1000.00 per count being suspended, K&A Cattle not committing any additional violations within the following one (1) year from the date of the Stipulation and Agreement, and agreed that the unsuspended portion of the fine and the citation fee, for a total of \$3,025.00, would be remitted to the Commission.</p>

Ex. 6	<p>T-32513 - Louisiana Public Service Commission vs. 3S Trucking, LLC (Breaux Bridge, Louisiana). In re: Alleged violation of Louisiana Revised Statutes Title 45:161 through 180.1 as amended, by operating Intrastate without LPSC authority on one count; allegedly occurring on or about July 13, 2012.</p> <p>In re: Discussion and possible vote on Stipulated Settlement pursuant to Rule 57.</p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Campbell, and unanimously adopted, the Commission voted to assert its original and primary jurisdiction and take this matter up pursuant to Rule 57.</p> <p>On motion of Commissioner Field, seconded by Commissioner Campbell, and unanimously adopted, the Commission voted to accept the Staff Recommendation and adopt the agreement between Staff and 3S Trucking, dated October 23, 2012 wherein the Carrier agreed to plead guilty and agreed to pay a fine of \$2,000.00, per count, with \$1000.00 per count being suspended, 3S Trucking not committing any additional violations within the following one (1) year from the date of the Stipulation and Agreement, and agreed that the unsuspended portion of the fine and the citation fee, for a total of \$1,025.00, would be remitted to the Commission.</p>
Ex. 7	<p>U-32112 - Eagle Water, LLC, ex parte. In re: Request for an Increase in Water and Wastewater Rates.</p> <p>In re: Discussion and possible vote on Stipulated Agreement.</p> <p>Last month's Ex. 8.</p> <p>On motion of Commissioner Campbell, seconded by Commissioner Field, and unanimously adopted, the Commission voted to adopt the Joint Stipulation, subject to the agreed upon amendments as read into the record.</p>
Ex. 8	<p>U-32315 - Claiborne Electric Cooperative, Inc., ex parte. In re: Application for Approval of Formula Rate Plan and Initial Revenue Adjustment.</p> <p>In re: Discussion and Possible Vote on Proposed Joint Stipulation.</p> <p>Last month's Ex. 14</p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Campbell, and unanimously adopted, the Commission voted to accept Staff Recommendation and approve the Uncontested Joint Stipulation with the following modification: That the initial revenue adjustment be reduced from \$2,395,000 to \$2,052,896, and with the differential being credited to residential customers.</p>
Ex. 9	<p>S-32566 - Dixie Electric Membership Corporation ("DEMCO"), ex parte. In re: Request for a Letter of Non Opposition to Refinance RUS Loans.</p> <p>In re: Discussion and possible vote to approve Staff Recommendation.</p> <p>On motion of Commissioner Field, seconded by Commissioner Campbell, and unanimously adopted, the Commission voted to accept the Staff Recommendation and grant DEMCO's request subject to the following conditions: 1) DEMCO will submit to the Economics Division a copy of the loan agreement signed by both DEMCO and CoBank setting out the loan terms within 30 days of closing. 2) DEMCO will not apply in any current or future proceedings to the LPSC for an increase in its rates and charges as a result of the impact that this borrowing may have on its TIER, DSC, rate of return on rate base, and overall results of operation; and 3) The Commission reserves its right to review the ratemaking treatment of this loan proposal in any future rate proceeding.</p>
Ex. 10	<p>S-32582 - Southeast Grant Water System, Inc., ex parte. In re: Request for an increase in water rates (non-profit).</p> <p>In re: Discussion and possible vote on interim rate increase.</p>

	<p>On motion of Commissioner Holloway, seconded by Commissioner Campbell, and unanimously adopted, the Commission voted to grant the requested interim rate increase.</p>
Ex. 11	<p>S-32144 - Springhill Community Water System, Inc., ex parte. In re: Request for an increase in water rates (non-profit system).</p> <p>In re: Discussion and possible vote on Staff Recommendation.</p> <p>Last month's Ex. 31.</p> <p>PASSED</p>
Ex. 12	<p>1) Reports 2) Resolutions - Possible resolution concerning the continued operation of gasoline and diesel fuel retailers and service stations during times of state emergencies and power outages. 3) Discussions</p> <p>Resolution 2012-05 was brought up before the Commission and read into the record. Commissioner Skrmetta made the motion to adopt the Resolution, with Commissioner Boissiere seconding; however Commissioners Campbell and Field objected and Commissioner Holloway abstained. Therefore this motion died for lack of a majority.</p> <p>Commissioner Holloway requested an update from Transportation Staff on the status of the review of storage rates for the Towing and Recovery industry.</p> <p>Commissioner Field directed Staff to place the EGSL-Gas Operations ROE docket on the December Agenda pursuant to Rule 57.</p>
Ex. 13	<p>Extension of Hamilton Telecommunications Relay Services Contract with the Louisiana Relay Administration Board.</p> <p>At the request of Commissioner Field.</p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Campbell, and unanimously adopted, the Commission voted to authorize the RAB to exercise its two-year extension option to renew its relay services contract with Hamilton Telecommunications through January 14, 2015.</p>
Ex. 14	<p>S-32568 - Lafourche Sugars, LLC and Entergy Louisiana, LLC, ex parte. In re: Request for approval of an Agreement for Interconnection and Purchased Power from a Qualifying New Renewable Resource.</p> <p>At the request of Commissioner Field.</p> <p>On motion of Commissioner Holloway, seconded by Commissioner Field, with Commissioners Campbell and Boissiere concurring and Commissioner Skrmetta objecting, the Commission voted to accept the Staff Recommendation and approve the submitted agreement subject to the condition that any monetary benefit to the Company as a result of the receipt of renewable and/or environmental attributes, including Renewable Energy Credits ("RECs") shall flow back to ratepayers via the Fuel Adjustment Clause.</p>
Ex. 15	<p>S-32544 - Rain CII Carbon, LLC and Entergy Gulf States Louisiana, LLC., ex parte. In re: Request for Approval of Agreement for Purchased Power from Qualifying Cogeneration Facility.</p> <p>At the request of Commissioner Field.</p> <p>On motion of Commissioner Holloway, seconded by Commissioner Field, and unanimously adopted, the Commission voted to accept the Staff Recommendation and approve the submitted agreement.</p>

Ex. 16	<p>S-32548 - Evonik Stockhausen, LLC and Entergy Louisiana, LLC., ex parte. In re: Request for Approval of an Agreement for Purchased Power from Qualifying Cogeneration Facility.</p> <p>At the request of Commissioner Field.</p> <p>On motion of Commissioner Field, seconded by Commissioner Holloway, and unanimously adopted, the Commission voted to accept the Staff Recommendation and approve the submitted agreement.</p>
Ex. 17	<p>S-32549 - Alltel Communications, LLC, D/B/A Verizon Wireless ("Verizon Wireless"), ex parte. In re: Notice of Relinquishment of Eligible Telecommunications Carrier Designation.</p> <p>At the request of Commissioner Holloway.</p> <p>On motion of Commissioner Campbell, seconded by Commissioner Holloway, and unanimously adopted, the Commission voted to accept the Staff Recommendation and approve the relinquishment as filed by Verizon, effective December 31, 2012.</p>

MEETING ADJOURNED

The next Business and Executive Session will be held December 12, 2012 at 9:00 a.m. in Baton Rouge, Louisiana.